

CHAPTER NO. 972

SENATE BILL NO. 2463

By Finney

Substituted for: House Bill No. 3573

By Kernell, Fitzhugh, Henri Brooks

AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 4, to enact the Advocacy for Honest and Appropriate Government Spending Act.

WHEREAS, the citizens of Tennessee pay taxes, often at sacrifice to themselves and their families, to finance state government; and

WHEREAS, every member of the state government at any level should constantly strive to spend tax money in the most efficient, cost-effective manner possible; and

WHEREAS, dishonestly spending tax moneys -- whether by fraud, mismanagement, theft, or waste -- is an unacceptable violation of the trust citizens place in their government; and

WHEREAS, the citizens of Tennessee have the right to expect strict accountability and stewardship of their tax moneys;

NOW, BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The title of this act is and may be cited as the "Advocacy for Honest and Appropriate Government Spending Act".

SECTION 2. Tennessee Code Annotated, Title 8, Chapter 4, Part 4, is amended by deleting the part in its entirety and by substituting instead the following language:

§ 8-4-401.

As used in this part, unless the context otherwise requires:

(1) "Community grant" means federal funds made available to the State of Tennessee for administration and distribution pursuant to any of the following programs:

(A) The maternal and child health block grant program;

(B) The preventative health and services block grant program;

(C) The alcohol, drug abuse, and mental health block grant program;

(D) The social services block grant program;

(E) The community services block grant program; or

(F) The low income energy assistance program.

(2) "Community grant agency" means any private corporation which contracts with a state agency to receive one (1) or more community grants in consideration for rendering specified services to the public;

(3) "Hotline" means a method or system created or established to accept any telephonic form of communication which is communicated to the office of the comptroller of the treasury, for the purposes of providing governmental employees and citizens of Tennessee a means to report or provide information relating to alleged fraud, abuse, or wrongdoing; and

(4) "State agency" means each state board, commission, committee, department, office, or any other unit of state government.

§ 8-4-402.

The office of the comptroller of the treasury shall establish, maintain, and publicize a toll-free hotline for the purpose of receiving allegations of fraud, waste, or abuse of public funds.

§ 8-4-403.

Throughout the period in which a state agency or community grant agency receives public funds, the entity shall display in a prominent place, a sign at least twelve inches (12") in height and eighteen inches (18") in width stating:

NOTICE:

THIS AGENCY IS A RECIPIENT OF TAXPAYER FUNDING. IF YOU OBSERVE AN AGENCY DIRECTOR OR EMPLOYEE ENGAGING IN ANY ACTIVITY WHICH YOU CONSIDER TO BE ILLEGAL, IMPROPER, OR WASTEFUL, PLEASE CALL THE STATE COMPTROLLER'S TOLL-FREE HOTLINE:

1-800-232-5454

No state agency or community grant agency shall edit the written text of such notice.

§ 8-4-404.

Through press releases, public service announcements, or other appropriate public information activities, the office of the comptroller of the treasury shall attempt to educate both private citizens and public

employees of the availability of a mechanism to report, and the responsibilities of the office of the comptroller of the treasury to review, allegations of fraud, waste, or abuse of public funds.

§ 8-4-405.

(a) The office of the comptroller of the treasury shall review all telephone calls received on the toll-free hotline number pursuant to this part and shall maintain a record of each meritorious call involving an activity related to state agency or community grant supported services. The information received through the calls shall be investigated by the office of the comptroller of the treasury or may be referred by the office of the comptroller of the treasury to the appropriate program or investigative agency.

(b) Upon receiving the information relating to such a call, a state agency or community grant agency shall undertake adequate and appropriate measures to investigate and remedy any illegal, improper, or wasteful activity noted in the information. The state agency or community grant agency shall submit a written report to the office of the comptroller of the treasury, outlining the findings of the investigating entity's investigation, as well as any remedial action undertaken. A copy of the report shall be retained by the state agency or community grant agency, and if involving a community grant agency, the report shall be appropriately considered prior to the state entering into any other contractual relationship with the community grant agency.

§ 8-4-406.

(a) The detailed information received and generated pursuant to this part shall be considered confidential working papers of the comptroller of the treasury and is therefore not an open record pursuant to Title 10, Chapter 7.

(b) Each year the office of the comptroller of the treasury shall include within the annual report required by § 8-4-110, a summary of the calls received during the year pursuant to this part. The summary shall indicate the number of calls, the general nature of the activities reported, the state agencies and community grant agencies affected, and, if appropriate, any remedial action taken or proposed, including the total amount of public funds recovered, and any criminal or civil actions initiated or completed as a result of an allegation received by the office of the comptroller of the treasury under this part.

§ 8-4-407.

The office of the comptroller of the treasury shall procure uniform signs, printed in accordance with § 8-4-402, which shall be available, upon request, for distribution without cost to each state agency and community grant agency.

§ 8-4-408.

(a) Any person who knowingly provides false information pursuant to the provisions of this part commits a Class C misdemeanor.


(b) Any person making an allegation in good faith pursuant to this part is immune from civil or criminal liability for making such allegation, even if such allegation proves to be false.

(c) The provisions of § 8-50-116 shall apply to all state agency and local government employees. In addition, no government employee shall suffer any of the prohibited retaliatory actions specified in § 8-50-116 for reporting to, or cooperating with, the office of the comptroller of the treasury or other investigating entity. Any person who knowingly and willingly retaliates or takes adverse action of any kind against any person for reporting alleged wrongdoing pursuant to the provisions of this chapter, commits a Class A misdemeanor.

SECTION 3. This act shall take effect July 1, 2006, the public welfare requiring it.

PASSED: May 26, 2006


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 27th day of June 2006


PHIL BREDESEN, GOVERNOR